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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of 2013-2014 Statewide Marketing, Education and Outreach Program and Budget. (U39M)

Application 12-08-007
(Filed August 2, 2012)

And Related Matters.

Application 12-08-008
Application 12-08-009
Application 12-08-010

**RULING OF ASSIGNED COMMISSIONER SOLICITING
COMMENTS ON WINTERTIME MARKETING**

Summary

This Ruling solicits comments regarding whether the Commission should direct Southern California Gas Company (SoCalGas) to provide funding for wintertime marketing, education and engagement activities in order to help reduce the risk of natural gas and electricity curtailments in the Los Angeles basin in the upcoming 2016-2017 winter, due to the ongoing effects of the 2015 natural gas leak at SoCalGas' Aliso Canyon storage facility.

1. Procedural Background

SoCalGas owns and operates the Aliso Canyon gas storage facility. On October 23, 2015, a massive gas leak was discovered at one of the gas wells in Aliso Canyon, which caused Governor Brown to declare a state of emergency on January 6, 2016. On February 18, 2016, California state officials announced that the gas leak was permanently sealed.

Aliso Canyon is an integral part of the SoCalGas system and is essential for meeting demand for natural gas in the Los Angeles Basin during both the summer and winter seasons.¹ The facility ensures a reliable supply of natural gas for space heating, hot water, cooking and other essential uses and is the only source available to meet the gas supply needed for gas-fired electric generators in the Los Angeles Basin during summer hot days when electric demand increases to meet cooling needs that are met by electric air conditioning. Due to the gas leak, natural gas has not been injected into Aliso Canyon since October 25, 2015, and injections will remain suspended until a comprehensive safety review of all gas wells in Aliso Canyon is completed by independent experts. As of the date of today's ruling, it is uncertain if or when Aliso Canyon will resume normal operations.

In his declaration of a state of emergency, the Governor directed this Commission and the California Energy Commission, in coordination with the California Independent System Operator (CAISO), to take all actions necessary to ensure the continued reliability of natural gas and electricity supplies during the moratorium on gas injections into the Aliso Canyon storage facility. In response to concerns about summertime supply, the Commission issued Decision (D.) 16-04-039 authorizing SoCalGas to provide up to \$11 million in funding for customer awareness activities in southern California for the remainder of 2016. Of the \$11 million total, \$5 million was designated to support paid Flex Alert advertising by the CAISO and SoCalGas was authorized to use up to an

¹ For natural gas industry planning and operations, winter is traditionally defined as the months of November through March. Summer is defined as the months of April through October.

additional \$6 million to administer and lead a consortium of local investor-owned, publicly-owned, and municipal utilities to implement a targeted marketing, education, and engagement campaign leveraging its existing digital and social media channels.

2. Winter in Southern California

As noted above, the Commission's actions in D.16-04-039 were motivated by concerns about summertime gas supplies. Since that decision was issued, an "Aliso Canyon Gas and Electric Reliability Winter Action Plan" (Winter Action Plan) has been prepared and released by the staff of of the California Public Utilities Commission, the California Energy Commission, the CAISO, and the Los Angeles Department of Water and Power. The Winter Action Plan notes that as hot weather fades and winter approaches, more natural gas is used in the colder months by residents of homes and small businesses and less natural gas is used by power plants to generate electricity, and concludes that under certain scenarios, wintertime curtailments are a possibility.² Therefore, the Winter Action Plan identifies 10 new measures to reduce, but not eliminate, the possibility of gas curtailments large enough to cause electricity service interruptions during the 2016-2017 winter season. The measures are in addition to the measures implemented during the summer of 2016, and include developing and deploying focused cold weather messaging asking consumers to reduce gas use.³

² Winter Action Plan at 13-18.

³ The Winter Action Plan notes that it is not clear at this time whether an action plan will be needed for next summer or beyond. Winter Action Plan at 8.

The funding authorized by D.16-04-039 was intended for summertime messaging and was expected to be expended by the end of 2016. Additional funds for cold weather messaging that would extend into 2017 cannot be dedicated to Aliso Canyon-related messaging without further Commission action. Therefore, this ruling seeks comments from parties in this proceeding on the following questions:

1. Should the Commission direct SoCalGas to provide additional funding for 2016-2017 cold weather messaging as part of the targeted marketing, education, and engagement campaign approved in D.16-04-039 in order to encourage customer response to anticipated supply shortages during the Aliso Canyon injection moratorium?
2. If new funding is provided, is \$6 million an appropriate amount? Why or why not? SoCalGas, as part of its response to this question, shall provide an up-to-date and detailed summary of its spending to date on summertime messaging, and its plans and remaining budget for any additional summertime or wintertime messaging.
3. Should paid FlexAlert messaging in Southern California be funded during the winter season?
4. Is there a need for additional funding for marketing, education, and engagement and/or FlexAlert messaging for the remainder of 2017, following the winter season? If so, what should this entail?

Parties may respond to these questions by October 14, 2016. Reply comments may be filed and served by October 21, 2016. I expect to issue a

proposed decision for the Commission's consideration after considering parties' responses to the questions in this Ruling.

IT IS RULED that parties to this proceeding may file and serve responses to the questions in Section 2 of this Ruling by October 14, 2016. Reply comments may be filed and served by October 21, 2016.

Dated September 28, 2016, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman
Assigned Commissioner